



Testimony of
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Public Health Committee
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HB 6550 An Act Concerning the Office of Health Strategy's Recommendations Regarding Various Revisions to Community Benefits Programs Administered by Hospitals

HB 5575 An Act Establishing Community Standards of Health and Hospital Care for Private, For-Profit Hospital Ownership

HB 5991 An Act Concerning For-Profit Hospital Transparency

Good afternoon Senator Abrams, Representative Steinberg and members of the Public Health Committee. My name is Sal Luciano and I am proud to serve as the President of the Connecticut AFL-CIO, a federation of hundreds of local unions representing more than 220,000 workers in the private sector, public sector, and building trades. Our members live and work in every city and town in our state and reflect the diversity that makes Connecticut great. Thank you for the opportunity to provide testimony in support of three bills which will require hospitals to be more responsive to the communities they serve.

HB 6550 An Act Concerning the Office of Health Strategy's Recommendations Regarding Various Revisions to Community Benefits Programs Administered by Hospitals – SUPPORT

Federal law requires non-profit hospitals to provide “community benefits” in order to maintain their non-profit tax status. Hospitals must conduct a community health needs assessment (CHNA) and develop a community health improvement plan based on that assessment every 3 years. Connecticut statute does not require a clear connection between the CHNA and the community benefit programs a hospital provides.

Community benefits can mean offering subsidized healthcare services and providing uncompensated care, but they can also be far more proactive and responsive to the needs of those living in the hospital service area. Childhood immunization programs, health awareness campaigns, housing development advocacy, or lead abatement efforts are examples of community benefit programs that seek to improve outcomes, not just discount the cost of care. Tying community benefit programs to the needs identified by communities in the CHNA process can also advance health equity.

HB 6550 strengthens and improves the timing, content, regularity, and uniformity of required hospital reporting, including how community benefits are addressing the needs of populations in a service area. Specifically, HB 6550:

- Creates a community benefit and community building spending floor for each institution;
- Requires demographic data to be included in community benefit reporting; and
- Provides transparency by requiring the Office of Health Strategy to post hospital reports and annual analyses online.

We encourage the Committee to make this bill even stronger by:

- Specifying and expanding demographic data reporting requirements to include standardized race, ethnicity, primary language, disability status, sexual orientation, and gender identity data points;
- Defining “meaningful participation” to set a standard for soliciting community input and engagement for CHNA and community benefits implementation strategy; and
- Requiring the solicitation of public feedback by adding an annual public comment period on the Office of Health Strategy’s summary and analysis of community benefits program reports.

The COVID-19 pandemic has highlighted how important community resources are to maintaining health in times of crisis and vulnerability. Community benefit dollars can address health disparities and the social determinants of health that contribute to them. Supporting a community benefit and community building spending floor ensures that non-profit hospitals’ reinvestments stay local and help invest in needed community resources. That seems like a reasonable bargain given that non-profit hospitals are exempt from state and federal corporate income taxes and local property taxes.

HB 5575 An Act Establishing Community Standards of Health and Hospital Care for Private, For-Profit Hospital Ownership - SUPPORT

Historically, Connecticut healthcare providers have been “community benefit” institutions that prioritize the needs of patients and communities, *in spite of profits*. In recent years, hospital corporations’ aggressive pursuit of profit threatens to subordinate high-quality patient care, communities, and healthcare workers to the interests of investors.

Consumers in a hospital service area should be able to have confidence that private for-profit hospital managers will fulfill their obligations to the patients and communities they intend to serve. Requiring a community benefits agreement as a condition for granting a certificate of need will ensure that private for-profit entities maintain levels of service that won’t devastate local economies and negatively impact patient care. Such a requirement will provide assurances that hospitals will continue to be responsive to their communities and provide access to all, not just those who can pay for profitable services.

HB 5991 An Act Concerning For-Profit Hospital Transparency - SUPPORT

The IRS Form 990 is a tax return for organizations that are almost completely tax exempt. In return for being untaxed, the non-profit must provide the public with the 990, which summarizes the group’s finances, pay and governance practices. Hospitals and hospital systems are also required to include a Schedule H form with their 990, showing how their activities benefit the public. This is an important part of building public trust because a significant portion of hospitals’ budgets includes reimbursements from taxpayer-funded state and federal programs.

HB 5991 requires for-profit hospitals to also make their Form 990s public, including specifics on executive compensation, community donations, board membership and profit/loss statements. By disclosing such information, for-profit hospitals can demonstrate that they are responsible stewards of public funds. HB 5991 is a responsible, common sense transparency measure.

Thank you for the opportunity to provide testimony. We urge the Committee to support these bills.